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## Viewing cable 06MANAGUA674, MONTEALEGRE: REAL TEST BEGINS AFTER PLC SELECTS

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#06MANAGUA674**.

Reference ID	Created	Released	Classification	Origin
<a href="#">06MANAGUA674</a>	<a href="#">2006-03-24 21:17</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">SECRET</a>	<a href="#">Embassy Managua</a>

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>  
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DEPARTMENT FOR WHA/CEN

E.O. 12958: DECL: 03/24/2016  
TAGS: [KDEM](#) [NU](#) [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [EFIN](#)  
SUBJECT: MONTEALEGRE: REAL TEST BEGINS AFTER PLC SELECTS  
ITS PRESIDENTIAL CANDIDATE

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

¶1. (C) Summary: Eduardo Montealegre is reassured by the latest IRI/Borge poll suggesting that he is the candidate most able to beat Sandinista (FSLN) leader Daniel Ortega in the November elections. Montealegre believes the next poll, to be conducted following the Liberal Constitutional Party's (PLC) April 2 convention, will provide a clearer indication of his strength. Montealegre is close to jettisoning stop-and-go negotiations with Jose Antonio Alvarado to join his ticket as the vice presidential candidate and may opt instead for a female running mate. To Montealegre, his most daunting challenge is garnering private sector support, some of which prefers to bet on a "safer" PLC candidate to beat Ortega. He recently shared with Ambassador his willingness to compete with likely PLC presidential candidate Jose Rizo in multi-party primaries if PLC caudillo Arnoldo Aleman abandons the PLC helm -- an unlikely scenario. We are seeking to arrange April meetings for Montealegre with senior USG officials and legislators, a speaking engagement with a think-tank, and perhaps a press interview to provide him higher visibility and possibly draw more support from the private sector. End Summary.

The Next Poll Will Put Montealegre's Popularity to Test

¶2. (C) In his March 21 meeting with Ambassador, Eduardo Montealegre indicated he is reassured by the mid-March IRI/Borge poll showing him as the candidate most able to beat Sandinista (FSLN) leader Daniel Ortega in the November 5 national elections. However, he said the real test will come in the next poll following the PLC's April 2 convention to select its presidential candidate, which will measure his relative strength vis-a-vis his PLC competitor. His PLC detractors regularly retort that party organization, not the polls, is the determinative electoral factor, and they have recently pointed to the Atlantic Coast elections to bolster their point. (Comment: The will of the people continues to be a negligible consideration by Nicaragua's traditional party leaders. End Comment.)

Dealing with Runaway Alvarado and other VP Deliberations

¶3. (C) Montealegre lamented competitor and APRE pre-candidate Jose Antonio Alvarado's continuing avoidance to committing to an alliance, noting that Jose Rizo has also offered Alvarado the VP slot and up to ten National Assembly seats (in the IRI/Borge mid-March poll, 29 percent of the

respondents favored Alvarado as Montealegre's running mate). In the increasingly likely event that Alvarado does not join his alliance, Montealegre believes a female candidate would serve as an effective running mate, although he would need Conservative backer Mario Rapacciolli's approval to select a candidate (male or female) from outside the Conservative Party. (Note: APRE president Miguel Lopez Baldizon announced March 21 that APRE will hold primaries to select its presidential candidate on April 23. Alvarado and Francisco Fiallos are the two contenders. Neither APRE candidate has significant public support or realistically expects to be president. The real issue is which Liberal branch APRE will form an alliance with for November. While Alvarado's camp favors a deal with the PLC, Fiallos is inclined towards Montealegre's ALN-PC. End Note.)

14. (C) Montealegre explained that Rapacciolli is willing to cede his VP ambitions if it means bringing aboard Alvarado, but he may not agree to relinquish the slot to a female candidate (according to the same poll, 67.7 percent of the respondents believe Montealegre should pick a female running mate). Montealegre opined that a female Liberal who is neither from Managua nor from Nicaragua's elite class would be ideal even though he favors former Minister of Tourism Lucia Salazar, who, like most of the other obvious choices, is from Managua and from an elite family. (Note: Salazar, who was at one time also being considered as a running mate for Herty Lewites, previously indicated she was not interested due to family considerations. She may find a Montealegre offer a little more appealing, however.) He cited Cristiana Chamorro as another possibility, explaining that financier Carlos Pellas' wife Vivian Pellas (she garnered over 22 percent in the poll) is Cuban born, and therefore ineligible to run (Chamorro received almost 10 percent support and Lucia Salazar just over 3 percent).

#### PRIMARIES - UNDER THE RIGHT CONDITIONS

15. (C) Montealegre expressed his willingness to compete with likely PLC presidential candidate Jose Rizo in an inter-party primary if the terms are right. Montealegre suggested the following process:

--PLC and ALN-PC primary voters would include members of party affiliated national, departmental, and municipal boards for a total of 34,000 - 40,000 participants.

--In addition for voting for the Liberal Alliance presidential candidate, participants would vote for departmental deputies.

--Voting would occur in the 17 departments plus Managua, with each department having one voting center and Managua offering one center per district.

--The vote would be held May 14.

--The Liberal Alliance would form a board of directors, independent from Aleman; meetings would no longer be held in Aleman's El Chile residence (Montealegre was adamant that this condition must be met).

--An extension of the deadline to submit alliances to the Supreme Electoral Council (CSE) would be in order (current deadline is May 5).

16. (C) Remaining issues to resolve via negotiations would be the selection of national and Parlacen deputies and the guarantee that Aleman would recede from the political scene. Montealegre was confident that if the primaries are clean and not controlled by Aleman, he will win over Rizo or any other PLC candidates.

17. (C) Comment: Ambassador met with CEPPS partners March 22 to discuss primary options and shared Montealegre's primary

concept with them. Local IRI Director Gilberto Valdez, the CEPPS "primaries guru" and other CEPPS directors were favorable to supporting the proposal. Valdez commented, however, that IRI could also support primaries involving a much larger universe of eligible voters, such as all party "affiliates," a plan discussed earlier that would encompass about 300,000-400,000 voters. Valdez noted that using affiliates would be more democratic and likely bring more voters into the Liberal camp. The likelihood of the PLC agreeing to these terms is remote at this point; however, pressure from the private sector and leaders of neighboring countries could help.

#### In Search of Financial Backing and Name Recognition

18. (C) Ambassador shared with Montealegre the gist of his separate meetings with Salvadoran President Saca and Nicaraguan financier Carlos Pellas. In essence, both Saca and Pellas advocate a united Liberal ticket under the PLC's banner and machinery, arguing that this approach is the only safe way to beat Daniel Ortega. They propose that Montealegre run as Rizo's VP, be guaranteed a number of Assembly seats, and run as the party's presidential choice in 2011. Ambassador disputed this reasoning at the Saca and Pella meetings, noting that support for a PLC candidate at this point is tantamount to support for Aleman, and by extension, the FSLN.

19. (C) Montealegre replied that he too has received this offer from Pellas and Saca intermediary Calderon, and has rejected it, explaining that he will not enter into any alliance with the PLC so long as Aleman controls it, because under these circumstances the PLC would lose the election. Further, Montealegre argued that he clearly enjoys more popular support than Rizo and offers a better chance to beat Ortega. Montealegre offered that President Bolanos public support for him and the president's continuing engagement with his regional counterparts and the private sector could help provide the momentum to shift Saca and Pellas' position. Similarly U.S. pressure would be helpful, suggested Montealegre.

Comment

10. (S) After assuring us he would not commit to a candidate until there was a shake-out and unification on the democratic front, Pellas now appears to have thrown his lot in with Rizo and Aleman. He argues that Nicaragua cannot change overnight and he clearly favors a lower risk scenario: the PLC candidate, ideally Rizo, running against Ortega and Lewites. Pellas believes the Montealegre route is riskier because it would likely spell a four-way race, pitting Liberals against Liberals and dividing their support, which could lead to an Ortega victory. We suspect that these arguments are only part of what drives Pellas, however. A Montealegre victory would shake up the Ortega-Aleman pact and could change the way Nicaraguans do business. The current system is dysfunctional, but Nicaragua's private sector has learned to navigate it, preferring a "malleable" judicial system to the uncertainty that a Montealegre government, seeking to establish international standards and the rule of law, could represent.

11. (S) Putting pressure on Pellas via his U.S. business partner GE Finance International and the persuasion of senior USG officials could prompt Pellas to change his position. Besides our standard points about why supporting Rizo would mean a perpetuation of the pactist caudillo system and most likely playing into Ortega's hands, we will emphasize to Pellas and his GE business partners our serious concerns over Aleman camp connections to criminal activities. We are seeking to arrange, via IRI and the desk, April meetings for Montealegre with senior USG officials and legislators, a speaking engagement with a think-tank, and perhaps a press interview to provide him higher visibility and possibly draw

more support from the private sector.  
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